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The FEED SITUATION

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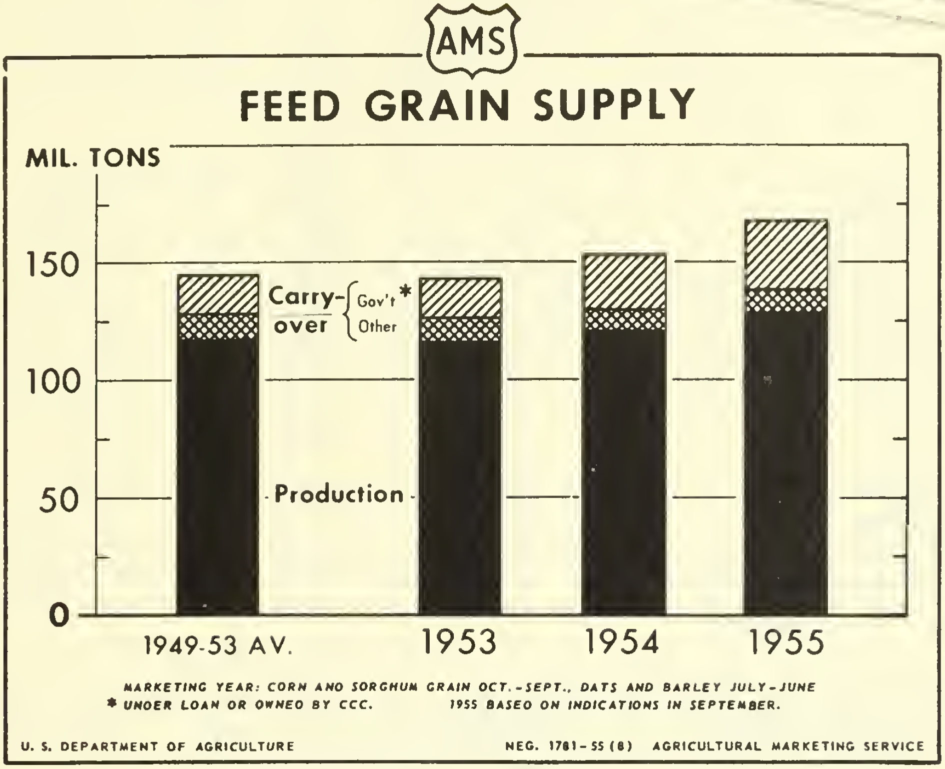

The prospective feed grain supply for 1955-56 is about 10 percent larger than the record supply last year and 15 percent above the 1949-53 average. Drought during August sharply reduced the corn and sorghum grain crops in the Midwest. However, based on September 1 indications, total feed grain production will be 129 million tons, second only to the record output in 1948. This would probably exceed domestic and export requirements, resulting in a further small increase in carryover stocks at the close of the 1955-56 season from this year's record of about 40 million tons. The major portion of the big carryover stocks are under loan or owned by Commodity Credit Corporation.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

Table 1.- Statistical Summary

PRICES

Item	Unit	1953		1954		1955		
		July	Aug.	July	Aug.	June	July	Aug.
		Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Grains and Hay								
Corn, No. 3 Yellow, Chicago	Bushel	1.58	1.60	1.61	1.65	1.47	1.47	1.30
Price received by farmers, U. S.	Bushel	1.47	1.48	1.50	1.53	1.40	1.40	1.30
Oats, No. 1 White, Chicago	Bushel	.772	.810	.757	.780	.766	.637	.607
No. 2 White, Minneapolis	Bushel	.780	.745	.715	.699	.718	.588	.579
Price received by farmers, U. S.	Bushel	.701	.717	.668	.675	.698	.598	.549
Barley, No. 3, Minneapolis	Bushel	1.24	1.37	1.32	1.29	1.29	1.18	1.17
Price received by farmers, U. S.	Bushel	1.15	1.10	1.00	1.01	.995	.955	.884
Grain sorghums, price received by farmers, U.S.	100 pounds	2.42	2.42	2.20	2.22	2.24	1.96	1.77
Wheat, No. 2 Hard Winter, Kansas City	Bushel	2.09	2.18	2.32	2.35	2.19	2.16	2.15
Hay, No. 1 Alfalfa, baled, Kansas City	Ton	30.00	30.00	25.00	28.00	23.00	25.00	22.50
Price received by farmers, baled, U. S.	Ton	20.20	20.60	19.90	21.20	21.10	20.00	20.00
Byproduct Feeds (bagged)								
Standard bran, Minneapolis	Ton	43.60	43.50	39.90	39.00	38.50	37.50	37.00
Buffalo	Ton	51.00	50.40	46.60	45.80	46.10	44.75	45.00
Price paid by farmers, U. S.	100 pounds	3.27	3.24	3.03	3.04	2.99	2.96	2.89
Standard middlings, Minneapolis	Ton	47.50	44.60	41.75	40.60	49.50	44.00	38.50
Buffalo	Ton	52.25	51.00	49.25	48.10	52.40	50.50	47.30
Price paid by farmers, U. S.	100 pounds	3.44	3.39	3.28	3.23	3.32	3.30	3.12
Soybean meal, 44 percent protein, Chicago	Ton	76.40	73.15	104.20	98.35	62.35	64.60	65.05
Price paid by farmers, U. S.	100 pounds	4.74	4.72	5.77	5.80	4.17	4.17	4.14
Cottonseed meal, 41 percent protein, Memphis	Ton	60.75	62.60	68.90	71.55	56.50	60.75	59.90
Price paid by farmers, U. S.	100 pounds	4.21	3.89	4.29	4.51	4.14	4.06	4.01
Linseed meal, 36 percent protein, Minneapolis	Ton	61.90	63.25	63.00	63.70	61.00	65.00	63.80
Peanut meal, 45 percent protein, S. E. milling points	Ton	66.00	68.20	83.30	83.30	67.50	66.25	62.00
Gluten feed, 23 percent protein, Chicago	Ton	51.00	51.00	55.00	55.00	47.00	47.00	45.80
Hominy feed, Chicago	Ton	57.25	57.85	53.10	58.10	51.75	52.25	47.40
Brewers' dried grains, 24 percent protein, Milwaukee	Ton	52.00	49.50	47.60	52.70	43.25	44.10	42.60
Distillers' dried grains, 28 percent protein, Cincinnati	Ton	63.00	66.00	64.50	65.20	56.60	58.00	60.00
Tankage digester, 60 percent protein, Chicago	Ton	83.75	88.75	115.60	111.55	74.45	81.25	77.35
Meat scraps, 50 percent protein, Chicago	Ton	83.75	88.60	116.35	110.25	69.95	80.15	76.95
Fish meal, 60 percent protein, Buffalo	Ton	129.70	129.45	132.80	129.70	137.50	131.55	129.50
Alfalfa meal, 17 percent dehydrated, Kansas City	Ton	40.10	39.50	51.40	48.10	36.10	35.25	36.20
Mixed dairy feed, 16 percent protein, price paid by farmers, U. S.	100 pounds	3.98	3.94	3.83	3.84	3.72	3.68	3.63
Laying mash, price paid by farmers, U. S.	100 pounds	4.84	4.84	4.97	4.96	4.62	4.60	4.53
Scratch feed, price paid by farmers, U. S.	100 pounds	4.35	4.34	4.32	4.32	4.24	4.21	4.14
INDEX NUMBERS OF PRICES								
		Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Feed grains, price received by farmers, U. S.	1910-14=100	213	213	211	214	201	196	182
Eleven principal high-protein feeds, wholesale prices at terminal markets	1935-39=100	223	221	270	264	201	204	201
Five oilseed meals	1935-39=100	227	222	280	274	203	205	203
Tankage, meat scraps, and fish meal	1935-39=100	210	218	263	247	190	203	193
Gluten feed, brewers' dried grains, and distillers' dried grains	1935-39=100	213	216	225	228	197	200	196
Feed, price paid by farmers, U. S.	1910-14=100	223	222	224	226	214	211	206
LIVESTOCK-FEED PRICE RATIOS 1/								
(August average)								
Hog-corn, Chicago 2/ .... 1934-53=13.1	Bushel	16.4	15.2	13.9	13.5	13.2	12.1	12.3
Hog-corn, U. S. farm price ...... 1934-53=12.7	Bushel	16.1	15.7	13.6	13.8	13.1	11.9	12.1
Beef-steer-corn, Chicago 3/ ..... 1934-53=15.5	Bushel	15.4	15.5	14.5	14.4	15.1	15.3	17.1
Milk-feed, U. S. .... 1934-53=1.23	Pound	1.17	1.21	1.11	1.16	1.13	1.20	1.29
Butterfat-feed, U. S. .... 1934-53=22.7	Pound	21.0	21.2	19.1	18.9	20.0	20.2	20.9
Egg-feed, U. S. .... 1944-53=12.0	Pound	12.3	13.1	8.9	9.6	9.2	9.7	11.1
Farm chicken-feed, U. S.......... 1944-53= 6.9	Pound	6.0	5.9	4.3	4.3	5.4	5.4	5.3
Commercial broiler-feed, U. S.4/.	Pound	5.4	5.3	4.7	4.6	5.4	5.3	5.4
Turkey-feed, U. S. .... 1944-53= 9.2	Pound	8.4	8.5	7.4	7.1	7.9	7.9	8.4

1/ Units of corn or other concentrate ration equal in value to 100 pounds of hog or beef-steer, one pound of chicken, butterfat, or milk, or one dozen eggs. 2/ Based on packer and shipper purchases of hogs and No. 3 Yellow corn. 3/ Based on price of beef-steers sold out of first hands for slaughter, and No. 3 Yellow corn. 4/ Not reported prior to January 1953.

Prices compiled from Wall Street Journal, Chicago edition, Minneapolis Daily Market Record, Kansas City Grain Market Review, and reports of the Agricultural Marketing Service.

THE FEED SITUATION

Approved by the Outlook and Situation Board, September 16, 1955

SUMMARY

Although the corn and sorghum grain crops were reduced sharply by drought in late July and August in the Midwest, a record supply of feed grains and other concentrates is still in prospect. The total supply of 195 million tons is 9 percent larger than last year and 13 percent above the 1949-53 average. Allowing for some further increase in grain-consuming livestock, the prospective supply per animal unit is also a record and 8 percent above the 5-year average.

The 1955-56 supplies of each of the four feed grains are expected to be the largest on record, due to combinations of high yields, record carryover stocks, and large acreages of oats, barley, and sorghum grains. Total production of feed grains was estimated in September at 129 million tons, 11 million tons less than in August, but 7 million more than in 1954, and second only to the record of 135 million tons in 1948. This appears sufficient to meet all expected requirements in 1955-56 and leave a carryover at the close of the season a little above the record of about 40 million tons this year.

The corn supply is now estimated at 4,164 million bushels, a little above the previous record of 1949-50. The crop was estimated in September at 3,113 million bushels, 364 million less than was estimated in August, but 149 million more than in 1954. A record carryover of about 1,050 million bushels is in prospect for October 1.

The hay supply for 1955-56 is estimated at 123 million tons, 3 percent larger than in 1954-55, and is generally ample for the livestock on farms. Supplies are much larger than last year in the South and Southwest, where the 1954 drought sharply curtailed the growth of forage crops.

Prices of all feed grains declined from July to August, with the mid-August index 15 percent below a year earlier and the lowest since March 1950. This was the usual seasonal pattern for oats, barley, and sorghum grains, but corn prices usually rise to a seasonal peak in August. The mid-August price of $1.30 per bushel for corn was the lowest so far this season, and 23 cents below a year earlier. Since mid-August, corn prices have made some recovery, but some further decline seems probable when the crop is harvested this fall. Prices received by farmers are expected to be well below the 1955 national average support of $1.58 per bushel. Lower corn prices this year reflect the bigger supply and also the fact that many producers have again over-planted

their acreage allotments, and are not eligible for price support. With big crops of oats, barley, and sorghum grains being harvested, prices of these grains declined below the 1955 supports in mid-August, and were lower than usual in relation to corn.

Prices of high-protein feeds have been comparatively stable in recent months, averaging about a fourth lower than a year earlier. The price of soybean meal has been low in relation to most other protein feeds this summer, reflecting the currently large soybean meal production and prospects for heavy output in 1955-56.

Lower feed prices in August resulted in more favorable livestock product-feed price ratios for dairymen and poultry producers than a year ago. The hog-corn price ratio in August was less favorable than a year ago, but was near the long-term average for that month.

PROSPECTS FOR 1955-56 FEED SUPPLIES

Drought During August Curtails Growth of Feed Grains

Hot, dry weather in the Western Corn Belt and the Central Great Plains during August reduced the feed crops from an indicated production of 140 million tons on August 1 to 129 million tons on September 1. A crop of this size would be second only to the record production of 135 million tons in 1948 and 10 million tons above the 1949-53 average.

Practically all of the reduction was in corn and sorghum grains. The September 1 estimated production of corn was 10 percent below the August 1 forecast and the estimate of sorghum grain production was down 15 percent. Sharp reduction in corn yields occurred in Iowa and Nebraska, and more moderate reductions in South Dakota, Kansas, and Missouri. Sorghum grain prospects declined in the three major producing States of Texas, Kansas, and Oklahoma. Harvesting of the big oats and barley crops, on the other hand, was favored by dry weather. A record hay crop is still in prospect, although pastures were much below average on September 1 as a result of the Midwestern drought.

Record Feed Grain Supply in Prospect for 1955-56

In spite of the drop in feed grain prospects during August, a record feed grain supply is still in prospect for the 1955-56 season, on the basis of indications on September 1. The size and quality of the 1955 corn crop will continue to be influenced by weather during the next two months, but harvest of the other feed grain crops is either under way or completed. The total supply of the four feed grains was estimated

Table 2.- Feed grains: Supply and disappearance, United States, crop marketing years, average 1949-53, annual 1950-55

Item	Average 1949-53	1950	1951	1952	1953	1954 1/	1955 2/
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Supply 3/							
Carryover							
Under price support	15.3	20.9	14.9	9.0	16.7	23.0	29.5
Other stocks	12.1	9.7	13.8	11.2	10.3	8.8	10.0
Total	27.4	30.6	28.7	20.2	27.0	31.8	39.5
Production	118.5	122.0	112.9	119.7	117.6	121.6	129.0
Imports 4/	1.4	.8	1.3	1.7	2.2	.9	.8
Total supply	147.3	153.4	142.9	141.6	146.8	154.3	169.3
Distribution 3/							
Livestock feed	102.0	104.5	105.6	97.4	98.9	97.1	
Food, industry, and seed	12.8	14.1	12.5	12.0	12.6	12.8	
Exports 5/	4.8	6.1	4.6	5.2	3.5	4.9	
Total	119.6	124.7	122.7	114.6	115.0	114.8	
Carryover at end of year	27.7	28.7	20.2	27.0	31.8	39.5	

1/ Preliminary. 2/ Preliminary estimates based on September 1 indications. Includes an allowance for imports at near the 1954-55 rate. 3/ Supplies and disappearance of corn and sorghum grains during October-September and oats and barley grain during July-June. 4/ Includes grain equivalent of products. 5/ Includes corn, sorghum grain, and oats exported as grain, barley, and grain equivalent of malt.

Table 3.- Feed grains: Supplies, United States, average 1949-53, annual 1953-55

Feed grain	Average 1949-53				1953			
	Carryover 1/	Production	Imports	Total supply	Carryover 1/	Production	Imports	Total supply
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Corn	731	3,133	1	3,865	769	3,192	1	3,962
Oats	266	1,291	52	1,609	254	1,209	80	1,543
Barley	80	253	21	354	51	243	38	332
Sorghum grain	27	147	---	174	7	109	---	116
Total (Mil. tons)	27.4	118.5	1.4	147.3	27.0	117.6	2.2	146.8
	1954				1955 2/			
Corn	920	2,965	1	3,886	1,050	3,113	1	4,164
Oats	233	1,500	20	1,753	315	1,636	3/20	3/1,971
Barley	71	370	24	465	130	387	3/20	3/ 537
Sorghum grain	22	204	---	226	70	227	---	297
Total (Mil. tons)	31.8	121.6	.9	154.3	39.5	129.0	.8	169.3

1/ Stocks of corn and sorghum grains on October 1 and oats and barley on July 1. 2/ Preliminary estimates based on indications in September. 3/ Total supply includes an allowance for imports at near the 1954-55 rate.

in early September at 169 million tons, exceeding the previous record of last year by 15 million tons, or 10 percent. Supplies of each of the four feed grains are at a record level, reflecting generally favorable growing weather, large acreages of oats, barley, and sorghum grains, and big carryover stocks of each grain. Total feed grain production was estimated in early September at 129 million tons, 7 million tons larger than last year, but 6 million below the previous record in 1948. The carryover of feed grains into 1955-56 is expected to total about 40 million tons, 8 million tons larger than last year. The total supply also includes an allowance for imports of oats and barley at near the 1954-55 rate of a little less than a million tons.

The carryover of feed grains has increased in each of the last 4 years and the 1955 total is nearly double the 20 million tons on hand in 1952. Stocks of feed grains owned by CCC or under loan increased from about 9 million tons in 1952 to nearly 30 million tons in 1955, accounting for all of the increase in total stocks, (table 2). Privately held stocks totaled between 9 and 11 million tons in each of the 4 years.

Supplies Well Distributed By Regions

Supplies of feed grains this year are much better distributed by areas than in the past 2 or 3 years. Last year, supplies were large in the Corn Belt, but in most of the southern States, drought severely curtailed growth of corn and hay. This year production of feed grains was 15 percent above the 1949-53 average in the East North Central region, but was a little below average in the West North Central region. Total production for the North Central region is slightly larger than in 1954 and about 4 percent above the 1944-53 average. Record carryover stocks are on hand in this area and total supplies are very large for the fourth consecutive year. This region contains a major portion of the estimated 30 million tons of feed grains in the national carryover that is under loan or owned by CCC.

In the southern States supplies are the largest since 1950, much larger than in any of the past 4 years, when droughts have curtailed feed grain production. The oats and barley crops are smaller in most of the southern States than the big crops produced last year. Total feed grain production in the South Atlantic region is 37 percent larger than in 1954, with practically all of the increase in corn. In the South Central region larger corn and sorghum grain crops resulted in a 32 percent increase in feed grain production.

In the western States feed grain production is estimated to be 6 percent larger than last year, and 50 percent above the 1949-53 average. The increase is due to larger crops of corn and sorghum grains, which more than offset the smaller production of oats and barley in the Pacific Coast States.

Feed Concentrate Supply Now Estimated at 195 Million Tons

The total supply of feed grains and other concentrates for 1955-56 is estimated at 195 million tons, on the basis of September 1 indications. This would be 15 million tons more than the previous record supply of last year and more than 20 million tons above the 1949-53 average. The number of livestock on farms is expected to increase in 1955-56 to around 178 million grain-consuming animal units, 2 percent over 1954-55. This would be a peacetime record, but 8 percent below the World War II peak of 193 million in 1943-44. Allowing for this expected increase in the number of livestock, the estimated supply per animal unit is 1.10 tons. This also would be the largest on record and 8 percent above the 1949-53 average.

If the rate of feeding per animal unit is about the same as the 1949-53 average, around 134 million tons of feed grains and other concentrates would be fed to livestock during the 1955-56 feeding season. This would be about 11 million tons more than the estimated quantity fed in 1954-55, when the rate of feeding per animal unit dropped well below the average of recent years. The larger supplies and lower prices of feed grains this year are expected to contribute to more liberal feeding than in 1954-55. Last year very mild and dry weather during October-December permitted farmers to keep livestock in their fields after corn harvest longer than usual and thus salvage much fallen grain that ordinarily would have been lost. The quantity of feed grains used for seed, food, industry, and export is expected to total around 18.5 million tons, a little larger than in the past few years, reflecting prospects for heavier exports. This would give a total disappearance of feed grains and other concentrates of around 152 million tons, which would be considerably above that of recent years and about 5 percent above the 1949-53 average. With this level of disappearance, the carryover stocks at the end of the 1955-56 season would total a little above the record carryover of 40 million tons this year.

Corn Supply Expected to Total Around 4.2 Billion Bushels

Although hot, dry weather during August sharply reduced corn yields in the Western Corn Belt, a record corn supply, totaling nearly 4.2 billion bushels, is still in prospect (table 3). The 1955 crop was estimated in early September at 3,113 million bushels, down 364 million bushels from the August estimate, but 149 million bushels larger than last year and close to the 1949-53 average. The carryover next October 1 is expected to total around 1,050 million bushels, the largest on record and more than 300 million bushels above the 1949-53 average. Around 850 to 900 million bushels of this carryover is expected to be under loan or owned by CCC. With hog production increasing, and with larger corn production outside of the commercial area, total utilization of corn in 1955-56 is expected to be substantially larger than the

Table 4 .- Feed concentrate balance, numbers of animal units, and feed per unit, United States, year beginning October, average 1949-53, and annual 1950-55

Item	Average 1949-53	1950	1951	1952	1953	1954 1/	1955 2/
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Supply							
Stocks beginning of year 3/	27.4	30.6	28.7	20.2	27.0	31.8	39.5
Production of feed grains:							
Corn	87.7	85.6	81.2	91.8	89.4	83.0	87.2
Oats	20.7	22.6	21.1	20.2	19.3	24.0	26.2
Barley	6.1	7.3	6.1	5.4	5.8	8.9	9.3
Sorghum grains	4.1	6.5	4.5	2.3	3.1	5.7	6.3
Total	118.6	122.0	112.9	119.7	117.6	121.6	129.0
Other grains fed 4/	4.6	4.0	4.4	5.5	4.8	3.3	3.3
Byproduct feeds fed	22.2	22.0	22.6	22.6	23.0	22.8	23.2
Total supply	172.8	178.6	168.6	168.0	172.4	179.5	195.0
Utilization, October-September							
Concentrates fed 5/							
Corn	76.8	77.6	79.0	73.0	75.3	70.0	
Oats	19.2	19.9	20.4	18.7	18.9	20.5	
Barley and sorghum grains	5.9	7.3	6.6	4.9	5.6	7.5	
Wheat and rye	3.3	3.0	3.0	3.6	2.9	2.4	
Oilseed cake and meal	8.6	8.7	9.1	8.9	8.6	8.6	
Animal protein feeds	2.7	2.5	2.6	2.7	3.1	2.8	
Other byproduct feeds	10.9	10.8	10.9	11.0	11.3	11.4	
Total concentrates fed	127.4	129.8	131.6	122.8	125.7	123.2	6/134.0
Feed grains for seed, human food, industry, and export	17.7	20.4	17.2	17.0	16.2	17.5	18.5
Total utilization	145.1	150.2	148.8	139.8	141.9	140.7	152.5
Utilization adjusted to crop year basis	145.1	149.9	148.4	141.0	140.6	140.0	152.0
Stocks at end of crop year 3/	27.7	28.7	20.2	27.0	31.8	39.5	43
Supply and utilization per animal unit							
Total supply (Million tons)	172.8	178.6	168.6	168.0	172.4	179.5	195
Concentrates fed (Million tons)	127.4	129.8	131.6	122.8	125.7	123.2	134
Number of grain-consuming animal units fed annually (Millions)	170.1	172.3	174.2	169.4	168.4	174.0	178
Supply per animal unit (Ton)	1.02	1.04	.97	.99	1.02	1.03	1.10
Concentrates fed per animal unit (Ton)	.75	.75	.76	.72	.75	.71	6/.75

1/ Preliminary. 2/ Preliminary estimates based on indications in September 1955. 3/ Stocks in all positions. Corn and sorghum grain on October 1; oats and barley, July 1. 4/ Domestic wheat and rye and imported grains. 5/ Total quantities fed in the U. S., including domestically produced and imported grains and byproduct feeds. 6/ Assumes a rate of feeding per animal unit about the same as the 1949-53 average.

comparatively small utilization in 1954-55. Assuming a more normal rate of utilization of feed grains per animal unit, a little under 3 billion bushels of corn probably would be used domestically. Assuming that about 100 million bushels will be exported, or near the average of recent years, total disappearance of corn would be a little below the 3.1 billion bushels produced this year. In this event the carryover into 1956-57 would be a little above the 1,050 million bushels this year.

Supplies of corn are near average or above in all regions and are larger than last year in all areas of the country except in the Western Corn Belt (table 6). The total supply in the East North Central region is expected to total about 1,550 million bushels, 10 percent larger than last year and nearly a fifth above the 1949-53 average. The supply for the West North Central region is a little below the big supplies of the past three years, but is near the 1949-53 average. For the entire North Central region the crop was estimated on September 1 at 2,381 million bushels, 58 million bushels less than in 1954. The carryover on October 1 is expected to total about a billion bushels, giving a total supply of nearly 3,400 million bushels. This would be a little larger than last year, and nearly 250 million bushels above the 1949-53 average. The bulk of the 850 to 900 million bushels of corn under loan or owned by CCC at the beginning of the 1955-56 season will be held in this region. Corn supplies are estimated to be substantially above the 1949-53 average in all of the Eastern Corn Belt States and near average or above in all of the Western Corn Belt States except Kansas and Nebraska. A big crop is being produced in Missouri this year in contrast with the short crop last year, and the total supply for that State is estimated to be nearly double the 1954-55 supply.

Corn production was much larger in the Southern States than in any of the past 3 years. The total supply for the South Central region is estimated at about 350 million bushels, more than 100 million above last year and slightly above the 1949-53 average. The supply in the South Atlantic region, estimated at about 260 million bushels, is nearly half again as large as last year and about a tenth larger than average. Corn supplies also are above average in the North Atlantic and Western regions.

More Corn Expected to be Eligible for Price Support in 1955-56

The total quantity of corn that will be eligible for price support in the commercial area in 1955-56 is expected to be larger than the estimated 720 million bushels in 1954-55. Although the 1955 crop in the area is slightly smaller than last year, a moderate increase is anticipated in the number of producers eligible for price support.

In 1954, corn production in the commercial area totaled about 2,440 million bushels. Based on a survey of the Commodity Stabilization Service, about 40 percent of the farms producing corn in the area were

Table 5.- Feed grain production, by regions, average 1949-53, annual 1950-55

Region	Average 1949-53	1950	1951	1952	1953	1954	1955 1/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
North Atlantic	4,216	4,282	4,422	4,277	4,081	4,434	4,439
East North Central	37,913	34,850	37,081	39,204	39,039	40,218	43,682
West North Central	51,783	52,800	47,394	56,313	51,610	51,954	49,378
Total North Central	89,696	87,650	84,475	95,517	90,649	92,172	93,060
South Atlantic	7,246	7,777	7,417	6,392	7,199	6,190	8,461
South Central	12,450	16,511	12,245	8,860	10,873	11,816	15,583
Western	4,965	5,782	4,347	4,688	4,822	6,988	7,437
United States	118,573	122,002	112,906	119,734	117,624	121,600	128,980

1/ Based on September 1 indications.

Table 6.- Corn: Supplies in the United States by States and regions, average 1949-53, annual 1952-55 1/

Region and State	Average 1949-53	1952	1953	1954	1955 2/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
North Atlantic	119	124	114	121	124
Ohio	206	204	215	255	270
Indiana	264	257	274	302	335
Illinois	608	605	621	587	675
Michigan	87	92	100	97	110
Wisconsin	140	145	165	173	160
East North Central	1,305	1,303	1,375	1,414	1,550
Minnesota	300	303	325	400	425
Iowa	792	824	922	845	790
Missouri	181	183	155	92	180
North Dakota	26	23	26	29	33
South Dakota	143	135	170	182	145
Nebraska	315	318	283	300	220
Kansas	79	68	58	52	42
West North Central	1,836	1,854	1,939	1,900	1,835
South Atlantic	238	206	222	178	260
South Central	335	248	281	238	350
Western	31	31	30	33	44
Total United States	3,864	3,766	3,961	3,884	4,163

1/ Production plus October 1 carryover stocks in all positions.

2/ Preliminary estimates based on production as indicated on September 1 plus an allowance for October 1 carryover.

in compliance with 1954 acreage allotments and were eligible for price support. Only about 30 percent of the corn produced in the area was eligible for support, however, since production on the noncomplying farms averaged considerably larger than for the complying farms. Of the total of about 720 million bushels of corn that was eligible, 258 million bushels, or 36 percent, was placed under loan and purchase agreement.

Production in the 1955 commercial area, based on September 1 indications, would total a little under 2,400 million bushels, slightly less than last year. The percentage of eligibility this year is estimated to be a little higher than in 1954--probably around 45 percent of the corn farms and 35 percent of the total corn produced in the area. This would indicate that around 800 million to 850 million bushels of corn would be eligible for price support this year, around 100 million bushels more than in 1954-55.

Record Supplies of Oats, Barley, and Sorghum Grain

The record corn supply this year will be accompanied by record supplies of each of the other feed grains. Record crops of oats and sorghum grain are being harvested this year and the barley crop is second only to that of 1942. Carryover stocks of each of the three grains are the largest of record.

The oats supply is now estimated at 1,971 million bushels, 218 million bushels above the big supply last year and 189 million above the previous record supply in 1945. The 1955 crop of 1,636 million bushels exceeds the previous record by more than 100 million bushels, and is 345 million bushels above the 1949-53 average. This big crop is the result of both a record acreage seeded to oats and a record yield per acre. The carryover of 315 million bushels on July 1 also exceeds that of any past year. The total supply also includes an allowance of 20 million bushels for imports, the same as in 1954-55.

The barley supply is now estimated at about 537 million bushels, 72 million more than last year and 183 million above the 1949-53 average. The 1955 crop of 387 million bushels is 17 million larger than the big crop last year and is second only to the record crop of 429 million bushels in 1942. The carryover of 130 million bushels is 50 million above average and exceeds that of any past year. Larger production this year than in 1954 results primarily from increased acreage in the Northern Plains States and Montana. Production in the Pacific Coast States was 13 percent smaller than in 1954.

The 1955 sorghum grain crop was estimated in September at 227 million bushels, 15 percent less than on August 1, but 11 percent larger than last year and within 3 percent of the record crop of 1950. The big crop this year resulted from a record acreage harvested as grain and a near-average yield per acre. The larger acreage of sorghums this year apparently results from further reductions in the acreages planted to wheat and cotton in the Southwest. It is estimated that about 13.2 million acres will be harvested for grain, 2.5 million acres above the previous record acreage in 1954. The carryover of sorghums next October 1 is expected to total around 70 million bushels, somewhat above the previous record of 60 million bushels in 1950. In this event, the supply would total nearly 300 million bushels, nearly a third larger than last year and slightly above the previous record supply in 1950.

Larger High-Protein Feed Supplies in Prospect

A record production of soybean cake and meal is in prospect for 1955-56, which probably will mean some over-all increase in the total supply of high-protein feeds. The combined supply of high-protein feeds for 1955-56, in terms of soybean meal equivalent, based on present indications, would total close to 12.0 million tons. This would be a little larger in total than in the past 3 or 4 years, but only about the same in relation to the increasing number of livestock consuming these feeds.

The 1955 soybean crop, estimated in September at 388 million bushels, is 13 percent above the record crop of last year. Even allowing for higher exports of soybeans and increased carryover, such a crop would still provide for a record production of soybean cake and meal. The total output of soybean cake and meal in 1955-56 probably will be about a tenth larger than the 1954-55 production, now estimated at around 5,750,000 tons. Production of cottonseed cake and meal may be around 200,000 tons smaller than the 1954-55 output, estimated at a little over 2.5 million tons, as a result of the smaller 1955 cottonseed crop. Linseed cake and meal production is expected to be about the same as in 1954-55, as flaxseed supplies are about equal to those of last year. Supplies of most of the other high-protein feeds are expected to be about the same as in 1954-55, although there may be a little larger production of tankage and meat scraps, due to increasing livestock slaughter.

Hay Supplies Better Distributed than Last Year

The total United States hay crop was estimated in early September at 108 million tons, 4 million tons more than in 1954 and slightly above the previous record of 1951. The total supply is estimated at 123 million tons, 4 million tons larger than last year and 5 million tons above the 1949-53 average (table 11). However, the supply per animal unit is about the same as the 1949-53 average, since the larger supply has been about matched by an increase in the number of roughage-consuming livestock on farms.

Hay supplies are much better distributed over the country this year than in 1954. Last year drought severely reduced supplies in many southern and southwestern States, but very large supplies were available in the North Central region. This year weather has been much more favorable for the growth of hay and other forage crops in the southern States. The 1955 crop is substantially larger than last year and above average in most of these States. Supplies are again well above average in the North Central States and a little above the big supply of last year. The hay crop in Missouri is 44 percent larger than last year's short crop, although a little below the 1944-53 average.

Drought in the Midwest sharply reduced the condition of pastures during August. The average condition for the entire country on September 1 was 68 percent of "normal", 4 percentage points above the poor condition of a year earlier, but 7 points below the 1944-53 average for that date. Pastures were good to excellent in most of the Southern and Eastern States, but they were in poor condition in the Western Corn Belt.

RECENT DEVELOPMENTS

Feed Grain Prices 15 Percent Lower than a Year Earlier

Prices of most feeds were considerably lower this summer than last, reflecting the big feed grain crops, much heavier production of soybean meal, lower support prices, and reduced demand for purchased feeds, especially some of the poultry feeds. The mid-August index of prices received by farmers for feed grains was 15 percent lower than a year earlier and the lowest since March 1950. Wholesale prices of high-protein feeds averaged 24 percent lower in August than for that month of last year, while prices paid by farmers for all feeds purchased were down 9 percent.

The index of prices received by farmers for feed grains declined 11 percent from May to August, as prices adjusted to the big 1955 crops. Prices received by farmers for oats, barley, and sorghum grains all declined more than seasonally to below the national average support prices.

Corn prices usually advance during the summer, reaching a seasonal peak in August, but this year they declined from $1.40 per bushel in July to $1.30 in August, reaching the lowest level so far this season. The price of No. 3 Yellow corn at Chicago declined even more, falling from an average of $1.47 per bushel for the week ended July 16 to $1.25 for the week ended August 20. By the week ended September 10 the Chicago price had increased to an average of $1.33 per bushel. The lower level of corn prices appears to be an early adjustment to the larger crop in prospect. Although harvesting of the corn crop will not get underway in volume until October, the average price received by farmers in mid-August was 28 cents per bushel below the national average support price for the 1955 crop. Some further decline in average prices received by farmers is expected when the bulk of the crop is harvested this fall. Average prices received by farmers probably will be somewhat lower relative to the support level this year than in 1954-55, when they ranged from 22 to 26 cents below the support during the October-May loan period.

Table 7.- Feed grains: Average prices received by farmers August 15, and the support prices, 1954 and 1955

Feed grain	Unit	1954		1955	
		Support price	Average price August 15	Support price	Average price August 15
		Dol.	Dol.	Dol.	Dol.
Corn	Bu.	1.62	1.53	1/1.58	1.30
Oats	Bu.	.75	.675	.61	.549
Barley	Bu.	1.15	1.01	.94	.884
Sorghum grain	Cwt.	2.28	2.22	1.78	1.77

1/ Minimum national average support price to producers in the commercial area who plant within their acreage allotments. The support in the noncommercial area is 75 percent of the rate in the commercial area.

The average price of sorghum grains declined from $2.39 per hundred pounds in May to $1.77 in August, a drop of 26 percent. This was somewhat more than the decline in prices of other feed grains. The mid-August price was 45 cents lower than a year earlier and 1 cent below the 1955 support. In Texas, where harvesting of the crop has been underway since July, the mid-August price of $1.56 per hundred pounds was well below the support price for most counties. In Kansas, where harvesting had not yet started, the average price was still somewhat above the county support prices.

Prices of oats, barley, and sorghum grains continued lower than usual relative to corn in August. The average price received by farmers per hundred pounds for corn was $2.32; oats, $1.72; barley, $1.84; and sorghum grains, $1.77. Prices of these 3 feed grains ranged from 74 to 79 percent of the price of corn, which was somewhat below the 1949-53 average for August. Prices of the 3 grains have been low in relation to corn since July and probably will continue relatively low, at least until the 1955 corn crop is harvested this fall.

Prices of high-protein feeds have been comparatively stable in recent months, remaining much lower than a year earlier. In August, wholesale prices of the 11 principal high-protein feeds averaged 24 percent lower than for that month of 1954. While nearly all of the protein feeds have been lower, the greatest decline has been in soybean meal, tankage, and meat scraps. These feeds have been low in relation to most other protein feeds this summer. From mid-August to early September the price of soybean meal at Chicago increased about $5.00 per ton, raising the price of soybean meal relative to most other protein feeds. However, expected heavy production of soybean meal will continue to influence the price of soybean meal and, to some extent, prices of competing feeds. The price of wheat middlings at Minneapolis has declined seasonally in recent months, while bran has been steady. In August, prices of these feeds were only slightly lower than in that month last year.

Livestock-Feed Price Ratios Generally more Favorable Than a Year Ago

Because of the decline in feed prices during the past year, livestock-feed price ratios were a little more favorable to most of the livestock and poultry producers this summer than a year earlier. The hog-corn price ratio is the principal exception, since hog prices have declined relatively more than corn prices. In mid-August the average price received by farmers for hogs was $15.70 per hundred pounds, which was equivalent in value to 12.1 bushels of corn. This was a little less favorable for hog producers than a year earlier, when the average of $21.10 per hundred pounds for hogs was equivalent to 13.8 bushels of corn, but it was only a little below the 1934-53 average for August of 12.7. Prices of slaughter cattle at Chicago have declined less than corn during the past year, resulting in a higher beef steer-corn ratio than a year earlier and above the long-term average.

Feed costs were somewhat lower in August relative to prices of dairy and poultry products than a year earlier. Average prices received by farmers for milk and butterfat in August were slightly higher than for that month last year, while the average cost of dairy ration was about 8 percent lower. The average price per pound received for milk was equal to the cost of 1.29 pounds of dairy ration in milk-selling areas, somewhat higher than the 1.16 of a year earlier, and also a little above the 1934-53 average of 1.23. The butterfat-feed price ratio also was more favorable to dairymen than a year earlier, though it remained somewhat below the long-term average.

An increase in prices of eggs and poultry during the past year has been accompanied by a decline of about 9 percent in the average cost of poultry ration. The egg-feed, chicken-feed, and turkey-feed price ratios in August were much more favorable to poultry producers than a year earlier, although they were still below the 1944-53 average. The broiler-feed price ratios also have improved materially during the past year.

Less Oats, Barley, and Sorghum Grain Going Under Price Support

Through August 15 farmers have placed considerably less oats, barley, and sorghum grain under price support than the large quantities in that period of 1954. The 12.6 million bushels of oats placed under loan and purchase agreement was 8 million less than in the same period of 1954. The quantity of barley was less than a third as large as a year earlier and the quantity of sorghum grains less than half. The 1955 crops of the 3 grains are all larger than the 1954 crops, but the support prices are lower. Farmers can place these grains under price support through January 31, 1956, and it is too early in the season to consider these comparisons as an indication of how large the total quantities for the 1955 crops will be. Record quantities of the three grains were placed under price support in 1954-56, totaling 74.4 million bushels for oats, 114.6 million for barley, and 114.3 million for sorghum grains.

Table 8.- Oats, barley, and sorghum grains placed under price support, United States, through August 15, 1954 and 1955

Grain	1954 Loan	1954 Purchase agreement	1954 Total	1955 Loan	1955 Purchase agreement	1955 Total
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Oats	20,117	130	20,247	12,500	69	12,569
Barley	17,825	37	17,862	5,009	2	5,011
Sorghum grain	9,643	4	9,647	4,566	22	4,588

Compiled from reports of the Commodity Stabilization Service.

Canadian Supplies of Oats and Barley Larger than in 1954

Canadian supplies of oats and barley for the 1955-56 marketing season are somewhat larger than a year earlier, as a result of much bigger 1955 crops. The 1955 oats crop was estimated in August at 436 million bushels, 129 million more than the small harvest in 1954. On the other hand, the 81 million bushels carried over on August 1 was much less than the big carryovers of the last 2 years, and the smallest since 1950. Thus, the total oats supply is estimated at 517 million bushels, 84 million more than last year and slightly above the 1949-53 average (table 9).

The 1955 barley crop was estimated in August at 269 million bushels, about half again as large as the small 1954 crop, and nearly a fourth larger than the average of the past 5 years. The August 1 carryover of barley totaled 87 million bushels, much less than on that date last year. The total supply of barley for 1955-56 is estimated at 356 million bushels, which is about a tenth larger than the big supply last year and 29 percent larger than the 1949-53 average.

Table 9.- Canada: Supplies and exports of oats and barley, average 1949-53, annual 1951-55

Year beginning August	Oats 1/				Barley			
	Stocks Aug. 1	Production	Total supply	Exports 2/	Stocks Aug. 1	Production	Total supply	Exports 2/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Average 1949-53	91	420	511	56	59	218	277	64
1951	95	488	583	76	54	245	299	65
1952	108	467	575	65	80	291	371	118
1953	144	407	551	78	112	262	374	96
1954	126	307	433	3/22	146	176	322	3/71
1955 4/	81	436	517		87	269	356	

1/ 34-pound bushels. 2/ August-July exports of grain. 3/ Eleven months ended June. 4/ Preliminary. Production estimates based on August 1 indications.

Compiled from publications of the Dominion Bureau of Statistics, Canada.

Argentine Corn Crop Estimated At 110 Million Bushels

The 1955 Argentine corn crop, harvested last spring, is now estimated at about 110 million bushels, down substantially from the 1954 crop of about 175 million. Including an April 1 carryover of about 5 million bushels, this would give a total supply of only 115 million bushels for the 1955-56 (April-March) marketing year, 36 percent less than the 1954-55 supply of 180 million bushels. Exports of corn from Argentina during May-July this year totaled only 4.3 million bushels, much less than the 18.2 million exported in the same period of 1954. Because of the smaller supply, exports are expected to be small from now until the 1956 crop is harvested next spring, and to total much less for the 1955-56 season than the 79 million bushels exported in 1954-55.

Table 10.- Feed grains: Production, United States, average 1949-53, annual 1951-55

Year	Corn: All purposes	Corn: For grain	Oats	Barley	Sorghum grain	Total 1/
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 tons
Average 1949-53	3,133,497	2,836,125	1,291,244	252,690	146,830	118,573
1951	2,899,169	2,617,319	1,321,288	254,287	160,195	112,906
1952	3,279,403	2,977,243	1,260,127	226,014	83,024	119,734
1953	3,192,491	2,876,394	1,209,458	242,544	109,353	117,624
1954	2,964,639	2,652,426	1,499,579	370,126	204,087	121,600
1955 2/	3,113,467	3/	1,636,030	386,551	226,776	128,980

1/ Includes production of corn for all purposes. 2/ Indicated September 1. 3/ Not yet available.

Table 11.- Hay supply and disappearance per animal unit, United States, average 1949-53, annual 1951-55

Year beginning May	Production	Carry-over May 1	Total supply	Disappearance	Supply per animal unit	Disappearance per animal unit	Roughage-consuming animal units 1/
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Tons	Tons	Thousands
Average 1949-53	103,080	14,704	117,784	102,959	1.64	1.43	71,971
1951	107,991	15,012	123,003	108,045	1.70	1.50	72,228
1952	104,345	14,958	119,303	104,584	1.59	1.39	75,064
1953	105,530	14,719	120,249	105,046	1.58	1.38	76,022
1954	104,380	15,203	119,583	104,786	1.57	1.38	76,000
1955 2/	108,464	14,797	123,261		1.63		75,500

1/ Roughage-consuming animal units fed annually. For weights see table 107, page 88, Feed Statistics, March 1955. 2/ Preliminary, based on indications in September.

Table 12.- Feed grains: Receipts at primary markets, average 1949-53, 1953, 1954, and May-August 1955

Item	August: Average 1949-53	August: 1953	August: 1954	1955: May	1955: June	1955: July	1955: August
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Corn, 12 markets 1/	24,489	25,006	29,466	18,433	19,053	15,772	26,707
Oats, 12 markets 1/	22,330	24,373	26,002	6,684	8,238	20,349	19,374
Barley, 4 markets 2/	22,849	25,503	29,626	10,605	18,427	21,950	24,333

1/ Chicago, Milwaukee, Minneapolis, Duluth, St.. Louis, Kansas City, Peoria, Omaha, Indianapolis, Sioux City, St. Joseph, and Wichita. 2/ Minneapolis, Milwaukee, Chicago, and Duluth.

Table 13- Production, stocks, and foreign trade in byproduct feeds, foreign trade in feed grains, and corn and barley processing, July and August 1955, with comparisons 1/

Commodity	Production					Stocks 2/				
	1953-54 season 3/	July 1954	1955			Oct. 1, 1953	Aug. 1, 1954	1955		
			May	June	July			June 1	July 1	Aug. 1
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Byproduct feeds										
Soybean cake and meal	5,050.6	368.1	480.0	509.4	493.5	56.8	175.2	100.8	99.4	98.3
Cottonseed cake and meal	3,018.9	105.2	139.6	95.4	78.3	4/113.2	208.5	266.9	238.0	203.1
Linseed cake and meal	576.7	46.5	37.0	28.7	36.8	23.2	29.4	26.9	22.4	27.7
Peanut cake and meal	63.2	5.2	1.4	1.5	1.2	1.6	3.3	2.4	1.9	1.6
Copra cake and meal	116.0	9.3	9.9	11.3	8.0	6.3	5.2	5.0	5.4	5.6
Total	8,825.4	534.3	667.9	646.3	617.8	201.1	421.6	402.0	367.1	336.3
Corn gluten feed and meal	929.4	72.8	83.6	86.4	79.3	5/	5/	5/	5/	5/
Brewers' dried grains	226.5	23.2	24.2	24.9	23.3	7.4	3.8	3.3	3.9	4.2
Distillers' dried grains	245.3	16.1	18.5	22.4	14.9	1.8	4.8	3.0	3.5	1.2
Wheat millfeeds	4,424.8	362.0	349.9	371.3	355.5	5/	5/	5/	5/	5/
Rice millfeeds	273.2	13.0	40.0	34.8	28.0	5/	5/	5/	5/	5/
Alfalfa meal	1,254.5	221.6	158.3	247.1	257.0	321.7	253.5	120.6	229.3	344.4
Fish meal	229.9	52.0	14.2	48.3	50.2	5/	5/	5/	5/	5/
Dry or powdered skim milk	9.8	.8	1.2	9.8	.7	5/	5/	5/	5/	5/

Commodity	Foreign trade									
	Imports					Exports				
	1953-54 season 3/	July 1954	1955			1953-54 season 3/	July 1954	1955		
			May	June	July			May	June	July
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Soybean cake and meal	15.6	1.4	0	0	0	66.5	1.4	7.7	15.7	30.3
Cottonseed cake and meal	69.8	4.7	3.2	3.1	3.7	66.1	2.5	10.2	16.4	19.1
Linseed cake and meal	.6	0	0	0	0	31.0	2.3	3.7	3.0	5.9
Peanut cake and meal	.7	.2	0	0	0	1.4	0	0	.8	.5
Copra cake and meal	79.8	8.3	7.9	3.7	2.7	.1	6/	0	0	0
Total	166.5	14.6	11.1	6.8	6.4	165.1	6.2	21.6	35.9	55.8
Wheat millfeeds	245.0	21.8	12.0	8.7	8.3	1.1	.1	.1	.1	.2
Fish meal	126.5	13.6	10.3	6.1	6.0	5/	5/	5/	5/	5/
Tankage	18.3	2.4	.7	1.1	1.1	5/	5/	5/	5/	5/
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Feed grains										
Corn, including meal	1,124	74	89	127	37	96,253	5,185	4,408	5,666	11,768
Oats, including oatmeal	79,754	2,839	1,275	687	589	3,446	217	1,527	3,274	2,049
Barley, including malt	38,313	2,825	1,851	1,300	693	18,533	4,927	4,777	5,369	9,017
Sorghum grain	---	---	---	---	---	15,287	4,806	5,220	11,537	8,322

Commodity	Grain processing or use						
	1953-54 season 3/	1954		1955			
		June	July	April	May	June	July
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
Corn							
Wet-processing	128,198	10,326	10,042	10,621	11,524	11,912	10,938
Distilled spirits and alcohol	23,190	1,972	1,296	1,941	1,734	1,987	7/1,008
Barley							
Malt liquors	80,155	8,198	7,988	7,117	7/7,730	7/8,056	7/7,547
Distilled spirits and alcohol	5,685	468	301	479	7/ 424	7/ 436	7/ 254

1/ Data compiled from reports of the Bureau of the Census, Agricultural Marketing Service, Fish and Wildlife Service of the Department of the Interior, and Price, Waterhouse, and Company, New York. 2/ At processors' plants. 3/ October-September year for all items except oats and barley, which is July-June. 4/ The CCC owned 29,200 tons on October 1, 1953, not included in stocks at processors' plants. 5/ Not reported. 6/ Less than 50 tons. 7/ Preliminary.

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